

**STATEMENT OF
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SECRETARY OF TRANSPORTATION**

BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND
URBAN DEVELOPMENT AND RELATED AGENCIES
U.S. SENATE

Interagency Partnership for Sustainable Communities

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Thank you for inviting me to appear before you today to discuss the Department of Transportation's (DOT) current efforts to promote livable communities through our existing programs and our budget request for Fiscal Year 2011 (FY11).

INTERAGENCY PARTNERSHIP FOR SUSTAINABLE COMMUNITIES

As a nation, we pride ourselves on the livability of our communities, one in which every American has access to affordable housing, good transportation choices and access to jobs. Making America's communities more livable is a key part of the President's agenda, and the Administration is already making important advancements in this area. Last June, DOT joined forces with the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) to stimulate comprehensive regional and community planning efforts that integrate transportation, housing, energy and other critical investments. Together, we will help state and local governments make smarter investments in their transportation infrastructure, in order to better leverage that investment, and to advance sustainable development.

The Department's budget allocates over \$500 million towards this effort. It's an investment that is already receiving national attention. As I have traveled around the country soliciting input on our Surface Transportation Reauthorization, I heard resounding support for our livability initiative. The feedback has been clear: it's time to rethink how we are investing in our nation's communities.

Toward this effort, DOT, HUD, and EPA have developed the following principles to guide our shared efforts to promote livability:

- **Provide more transportation choices.** Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.

- **Promote equitable, affordable housing.** Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.
- **Enhance economic competitiveness.** Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.
- **Support existing communities.** Target federal funding toward existing communities – through such strategies as transit oriented, mixed-use development and land recycling – to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.
- **Coordinate and leverage federal policies and investment.** Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
- **Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.

CURRENT DOT AND PARTNERSHIP EFFORTS

DOT has already begun using these principles in its programs.

For example, the recent change in the criteria for FTA’s New Starts grants will ensure that the Department considers livability in its funding recommendations of transit capital investments. Previously, cost-effectiveness was the primary factor used in making a recommendation for construction funding, a criterion that uses travel time savings to quantify a project’s benefits as a comparison to project cost. FTA will now equally consider cost-effectiveness, and economic, environmental, and livability factors to determine the best use of funds.

We are also making tools available to transportation professionals and the public to build their capacity to implement livability projects at the community level. For example, DOT and HUD produced an action guide last November to help planners implement mixed-income transit oriented development and regional transit corridor planning. This guide, now available online, takes planners step-by-step through the data gathering and planning process. DOT is also working to develop an online database for transit-oriented development, which includes over 4,000 existing and planned rail/transit stations. This database will provide a central resource of transit planning information for developers, and will be available to the public by the end of the summer.

To foster the preservation and enhancement of urban and rural communities by providing better access to jobs, health care and education, DOT released a Notice of Funding Availability

(NOFA) in December for two new pilot programs that would provide funding for livability projects from existing funds: up to \$150 million is available for bus livability projects and \$130 million for urban circulator grants.

DOT and EPA are also supporting the development of HUD's NOFA for sustainable community grants authorized in the FY 2010 budget. DOT and HUD collaborated in the grant selection process and are providing staff to assist communities that received EPA's smart growth technical assistance grants. Through these discretionary grant and technical assistance dollars, DOT, HUD, and EPA are providing States and communities with opportunities to build the livable communities that are so important to their economic growth and quality of life.

LIVABLE COMMUNITIES PROMOTE QUALITY OF LIFE

Citizens are changing their preferences towards livable communities, and state and local governments are responding to constituent demands. In fact, EPA has found through consumer surveys that at least one third of the consumer real estate market prefers a mixed use, transit-oriented community. The needs and desires of the U.S. homebuyer also are changing: many consumers in the early 1990s had a preference for golf courses and other recreational amenities. Today, surveys indicate that many consumers prefer walkable communities - communities characterized by pedestrian access and a sense of connection, community, and diversity.

Livable communities are in high demand because they make financial and economic sense. Transportation and housing are the two largest expenses for the average American household. Reducing the need for private motor vehicle trips by providing access to other transportation choices can lower the average household expenditure on transportation, freeing up money for housing, education, and savings. Realtors, developers, and investors recognize that an increase in walkability translates into a higher home value.

The application of livability strategies can also save billions in infrastructure investment. For example, Envision Utah brought together residents, elected officials, developers, conservationists, business leaders, and other interested parties to participate in the development of a growth plan for Salt Lake City and the surrounding area. The process, which included outreach and comprehensive planning efforts, will help preserve critical lands, promote water conservation and clean air, promote public health, improve the region-wide transportation systems, and provide housing options for all kinds of residents. By coordinating investments, the plan saved \$4.5 billion in infrastructure costs over the last decade. This example shows that as we make our communities more livable, we can also decrease the strain on natural resources, decrease greenhouse gases, improve air quality, and promote public health by supplying more efficient options for transportation and housing -- all while decreasing infrastructure costs and the burden on the American taxpayer.

LIVABLE COMMUNITIES' INVESTMENTS SUPPORT BOTH RURAL AND URBAN COMMUNITIES

Livability also can play a substantial role in small towns and rural communities. The concept of livability comes from rural towns with a town center that is walkable and accessible to all ages and income groups. Rural communities, however, face special challenges that threaten traditional community design. Past transportation policies have resulted in many rural Main Streets being bypassed by the interstate highway system, which contributed to the decline of once-vibrant business centers. Many rural communities located close to cities have lost farm land and open space as urban areas subsume them. Transportation costs are often significantly higher for residents of rural communities, especially those with longer commutes to employment centers. Better coordination of housing and transportation will lead to policies and programs that protect and safeguard open space and agricultural land in rural areas, preserve the historical culture of rural city centers, and provide rural residents with transportation options that decrease their household costs.

Livability will certainly take a different form in rural areas than in urban city centers, but a small town with a walkable, main street lined with spaces for retail, employment and housing is something we can all picture. Franklin, Tennessee is a small city 25 miles southwest of Nashville that has adopted land-use plans and has adjusted their zoning ordinances to promote higher density mixed-use development. Bath is a small town in southwest Maine whose historic downtown area is a model of a livable community. The town provides two trolley loops to transport residents and tourists through downtown, reducing the need for on-street parking. Bath's street design encourages citizens to get out of their cars, which in turn supports local merchants through increased foot traffic.

My favorite example is Dubuque, Iowa, which I had the pleasure of visiting last year. In its Historic Millwork District, Dubuque is redeveloping old factories and mills—dormant since the early part of the 20th century—to create new mixed income housing, workplaces and entertainment. Sustainable transportation options are important to this plan. The city's trolley bus now connects the Millwork District to downtown. We also funded a project to design streets in this district that are attractive, convenient and safe for a broad range of users, including drivers, public transit, pedestrians, bicyclists, people without access to automobiles, children and people with disabilities. Dubuque's efforts, in part, attracted IBM to move its employment center to the area, where it will provide over a thousand new jobs for the city. With its "Smart City" partnership with IBM, Dubuque has become a model for other cities seeking new livable uses for its established infrastructure.

We are seeing this emphasis on livability not only in rural communities, but in urban and suburban communities as well.

In September, Secretary Donovan, Administrator Jackson, and I visited Denver's La Alma / Lincoln Park neighborhood, which is a predominantly Latino neighborhood and also one of Denver's oldest. The 10th and Osage station, which adjoins an industrial area, a diverse existing housing stock, and the Sante Fe Arts District, is serving as a catalyst for Lincoln Park's redevelopment. The South Lincoln Park Homes redevelopment, planned around the 10th &

Osage station, calls for developing mixed-use, mixed-income housing within walking distance of the station, to create a more dense and walkable community. It also focuses on improving transportation connections within the La Alma/Lincoln Park neighborhood for its residents to improve job access.

Portland is planning for the growth and development of its city center and transit systems, strengthening policies to form a denser bike network, and investing in streetcar and light rail. Our TIGER grant program has helped them with this by funding over \$23 million toward the reconstruction of a complete street on their waterfront – including three traffic lanes, dual streetcar tracks and pedestrian and bicycle facilities -- allowing increased access to the central business district.

In Seattle, we are helping to invest in turning a major roadway into a multimodal boulevard. They have instituted smart growth policies and transportation investments that encourage urban living and reduce dependence on cars, as well as encourage strong sustainable building standards.

When I was in Minneapolis in January, I got a chance to tour a 9.8 mile light rail transit line between the downtowns of the twin cities, Minneapolis and St. Paul. By balancing our cost-effectiveness criteria with equity considerations in our transit program, we will be able to help fund three additional stops on this line to serve underserved and lower income communities that otherwise would not have had access to this mode of transportation.

Kansas City, Missouri, is another great example. DOT recently awarded a \$50 million TIGER grant to Kansas City for their Green Impact Zone project, which will provide better access to regional opportunities through expanded transit and pedestrian facilities. This project will improve infrastructure in a 150-block area in urban core of Kansas City, Missouri that has been impacted over the years by high rates of poverty, unemployment, crime, and high concentrations of vacant and abandoned properties. Partners in the Green Impact Zone are creating a national model that demonstrates how integrated, place-based investments, centered on principles of sustainability, can transform a community.

FY11 BUDGET REQUEST

The President's Budget includes \$527 million for livable community efforts in DOT. This funding will support three areas: a Livable Communities Program within the Office of the Secretary (OST); transit funding to support livable communities in the Federal Transit Administration (FTA); and a capacity-building grant program in the Federal Highway Administration (FHWA). The purpose of these programs is to provide transportation practitioners with the tools, resources, and capacity they need to develop a transportation system that provides transportation choices, saves people money, protects the environment, and efficiently moves goods.

This budget request was developed in coordination with the requests for HUD and EPA. As you will hear from Secretary Donovan, HUD's program focuses on improving regional planning to

integrate housing and transportation decisions. EPA's role is designed to administer technical assistance to communities to pursue infrastructure improvements in ways that protect public health and the environment.

DOT's program supports two vital needs: capacity building in transportation planning and financial assistance to initiate innovative infrastructure investments. This benefits State and local governments, which currently use outdated planning and regional models and poor data to make their transportation investment decisions. Because of competition for scarce resources, sometimes innovative solutions can take a back seat to the more pressing needs of maintenance and repair. By targeting some investment funding, DOT hopes to demonstrate that smart investment up front can save communities tax money over time by strengthening communities and lowering infrastructure costs.

The President's budget includes \$20 million to establish a new Livable Communities Program, including a new Office of Livability within OST. This Office will lead and coordinate livability programs across the Department's modal administrations and provide grants and technical assistance for improving local public outreach. It will serve as the focal point for interagency efforts such as the Partnership for Sustainable Communities and spearhead efforts such as developing metrics and performance measures for livability.

\$307 million is requested to refocus existing FTA programs to expand transit access for low-income families, provide effective transportation alternatives and increase the planning and project development capabilities of local communities. Consolidating the Job Access and Reverse Commute formula grants, Alternatives Analysis grants, and formula grants for State and metropolitan planning will allow DOT to better coordinate efforts with HUD and EPA to develop strategies that link quality public transportation with investments in smart development.

The President's budget requests \$200 million to fund a competitive livability program within FHWA. This discretionary grant program aims to improve modeling and data collection, provide training, and support organizational changes to better carry out integrated planning. This assistance would be available to States, local governments, and tribal partners.

LOOKING FORWARD

What I have described so far is just the starting point for what we hope to be a robust livability initiative, both within DOT and among our partnering agencies. The President's Budget marks a bold new way of thinking about investments in our transportation infrastructure and will become a key component of the Administration's future surface transportation proposal. The programs requested in the President's budget have been designed to further the goals of the Partnership for Sustainable Communities and to assist regions and communities in need of Federal assistance to pursue their own planning and development needs. By providing capacity building, planning funds, and technical assistance, DOT, HUD, and EPA can help communities meet the demands that they face for developing these types of neighborhoods.

Looking forward, reauthorization of our surface transportation programs will provide an important opportunity to focus on livable community investments that foster transit-oriented, pedestrian and bike-friendly development, provide more transportation choices, and offer better access to jobs and housing.

Thank you for the opportunity to appear before you today to discuss the efforts of our Partnership for Sustainable Communities and the Department's FY 2011 Budget request to support this effort. We look forward to working with Congress and our stakeholders to make this a reality.

I will be happy to answer any questions you may have.